

March 15th 2024

The Honorable Judge Martin Glenn
United States Bankruptcy Court
Southern District of New York One Bowling Green
New York, NY 10004-1408

Case : Celsius Network LLC, et AL Case No. 22-10964

Subject: Request for Coinbase to facilitate Creditors KYC process or for Alternative Distribution Agent

Dear Judge Glenn,

I hope this correspondence finds you in good health and spirits. I am writing to express my great concerns regarding the current operational performance of Coinbase, the designated and only distribution agent for international creditors involved in the Celsius Case No. 22-10964.

My concerns specifically revolve around the issues of their Know Your Customer (KYC) process and all the issues that ensues, which begs the question of their aptitude for being the sole distribution agent for international creditors.

The KYC process, mandated by Coinbase for hundreds, of international account applicants, has proven to be burdensome and time-intensive. Their demands for extensive documentation requirements and inquiries during the process, including requests for US-specific documents, have created delays and obstacles for international creditors including myself.

Speaking of my own experience, I have been impeded by Coinbase's insistence on providing more and more documents and answering questions that seems to go beyond their usual process for many other Coinbase account owners. From my understanding, the only reason they proceed this way is because of my accessing my account from a country other than my residential and identification documentation. To my defense, I am employed in a company that requires me to travel often and for an extended period of time. This said, my primary residence remains that of which is indicated in the papers I've provided to them. Are Coinbase users required to remain within borders of their country of residency to access their account? Are they not allowed to travel and still be able to access their account?

I would like to also add that this process they are putting myself and hundreds of others through seems to go beyond what most of other account owners go through for their KYC process. Many Coinbase account owners, people I personally know and others I've discussed with online, has informed me that they have never had to give documentation that goes beyond their personal ID or Passport or Driving License and a proof of residency. I'm just an individual user and am not creating a business account.

Furthermore, Coinbase's responsiveness to inquiries and its ability to comprehend the circumstances of international creditors have been lacking, further exacerbating the challenges encountered in the distribution process. Many creditors have voiced their frustration over this and it is also intensifying their uncertainty over Coinbase's ability to fulfill the creditors' need for an account in order to receive their claims before the one-year deadline. Not to mention that it also puts their credibility in question.

Stretto is also not helping in this whole process, as many have voiced that the only response they get from them are generic emails pointing to the Celsius Distribution FAQ but not answering each individual's specific issue.

Attached, I have provided an outline of the exhaustive documentation requested and questions asked of me by Coinbase during the KYC review process, highlighting the unprecedented nature, and voluminous demands placed on international creditors. This resulting to, as of today, my account in Coinbase not verified and ready thus not being able to receive my Celsius claim back.

I initiated the Coinbase KYC review process on February 10th 2024, and to date, I have provided several different documents and diligently responded to all questions and inquiries, those of which answers my primary residency, my identity and my employment, as well as the source of my funds and wealth. This said, among the list of documents they've requested, there are many that seems to breach their authority and boundaries over what they are allowed to request to their customers.

Also, among the questions they've asked, there are those that makes no sense or shouldn't be their concern. For example, why am I using a phone number from another country than my own? Why am I logging into my account from another country? Furthermore, some of the requests are completely US-centric documents, despite the impracticality of such requests for international creditors.

Given the urgency of the matter and the need to ensure a fair and expeditious resolution for all parties involved, I respectfully urge the court to mandate the Plan Administrator to either request Coinbase to facilitate the KYC process for users that are creditors in this case so that they may receive their claim, or to explore alternatives to Coinbase as the distribution agent or method. Particularly, but not confined to, for individual account owners such as myself.

The challenges faced by international creditors in accessing their rightful assets are of grave concern, and swift action is imperative to address these issues effectively. I trust that Your Honor will give due consideration to this request and take appropriate measures to alleviate the hardships faced by international creditors in the Celsius Case No. 22-10964.

Thank you for your attention to this matter.

Respectfully,

François Siouffi

Attachment –

Coinbase KYC questions and documentation request received

Copies of emails from Coinbase

Note : I've redacted parts of the attachments as I do not want to have my email address, whereabouts and the Coinbase document links made public.

Coinbase KYC questions and documentation request received

1. ****Information Request:****

1. Provide details in relation to your current or previous occupation, any businesses you own, and any business you are involved in.

1. If employed:

1. Name of employer
2. Annual salary
3. Position within employer

2. In case of business:

1. Business industry
2. Your role in the business (e.g. CEO, Director)

2. Where different from your previous response, provide independent documentary evidence of the source of funds deposited into your Coinbase account and how it was accumulated. The evidence provided must be verifiable and from an established source (bank, crypto exchange, tax return, etc.)

3. Please provide the primary source(s) through which your overall wealth/net worth was generated. If wealth was generated through multiple sources, specify each source.

4. Copy of front and back of country ID

5. Copy of current utility bill

2. ****Information Document Request:****

1. Payslip issued within the last 3 months
2. Letter from your Human Resources department confirming your employment and salary
3. Record of bonus or other variable compensation paid within the last 3 months, such as a cash bonus or an equity-based payment.
4. Record of any draw or distribution, outside of regular salary, from any business ownership
5. Pension distribution records or account statements
6. Tax records or documentation (e.g. W2)
7. Loan agreement or statement
8. Statement from other exchanges
9. Screenshot of transactions from an unhosted wallet
10. Payslip
11. Brokerage / investment statement
12. Home sale document
13. Probate or conveyancing document

14. Copy of Will, Grant of Probate, Gift Letter, etc.

15. If your source of wealth originated from crypto or other investments, please provide additional supporting documentation. Eg. statement from a crypto exchange or broker-dealer confirming your investment portfolio.

16. Examples of sources of wealth include Employment income or business savings, gambling, gifting, investment income, inheritance, life insurance sale of assets or returns from crypto investments.

3. ****Source of Funds:****

1. Fiat currency e.g EUR, USD, JPY inflows into Coinbase account from bank account/Paypal
2. Crypto inflows from external exchanges
3. Crypto inflows from external wallet/unhosted wallet
4. Crypto inflows from mining

4. ****Source of Funds Documents:****

1. Bank statement from your funding account(s), issued within the last four months in your name, showing your residential address
2. Provide any document from those listed below if relevant to the source of the deposit of funds into your Coinbase account:
 1. Brokerage statements
 2. Crypto statements from other exchanges
 3. Payslips
 4. Tax returns
 5. House sale documents
 6. Will/grant of probate
 7. Screenshot of your external account profile, showing wallet address/email/name
 8. Screenshot of account statement showing transaction to other wallets/exchanges/Coinbase
 9. Screenshots / Statements / Tax documents showing crypto earnings/holdings stored in external wallet/unhosted wallet
 10. CSV file outlining inflows/outflows from external wallet
 11. Electricity bill with details like date of invoice and amount due (generally the machinery consumes huge electricity)
 12. License to mine crypto/ Registration document
 13. Machinery screenshot purchase invoice if possible

14. Other exchange / storage statement that shows his/her crypto earnings

15. Value of that particular crypto at that time and current USD value

5. ****Source of Wealth:****

1. Employment/Business income
2. Crypto assets
3. Inheritance / Gifts
4. Sale of assets (e.g. shares, property, business)
5. Investment income
6. Proceeds from legal settlement
7. Lottery / gambling winnings
8. Insurance settlement

6. ****Source of Wealth Documents:****

1. Payslip issued within the last 3 months
2. Letter from your Human Resources department confirming your employment and salary
3. A record of a bonus or other variable compensation paid within the last 3 months such as a cash bonus or an equity-based payment.
4. A record of any draw or distribution, outside of regular salary, from any business ownership
5. Pension distribution records or account statements
6. Tax records or documentation (e.g. W2)
7. Statement from crypto exchange showing investment growth
8. Will / grant of probate
9. Trust agreement
10. Gift letter
11. Brokerage account statement (if sale of securities)
12. Property sale records
13. Business sale records
14. Brokerage account statement showing investment growth
15. Settlement documents or records (including settlement amount)
16. Gambling winning tax reporting records (e.g. IRS Form W-2G)
17. Record of insurance settlement
18. Insurance statement

7. **Question**

1. Do you expect to send and / or receive cryptocurrency or fiat currency (e.g. USD, EUR, JPY, etc.) into your Coinbase account from family members or friends in ***redacted : country name***?
2. Do you expect anyone other than yourself to access your Coinbase account?
3. Please explain why you are using a phone number associated with ***redacted : country name***. Do you reside, whether full time or partially, in ***redacted : country name***?
4. Our records indicate you spent time in ***redacted : country name*** based on your IP location. Is this accurate? If yes, please provide further details by stating the primary reasons why you spend time in or have used an IP address associated with ***redacted : country name***. If you haven't spent time in ***redacted : country name***, please attempt to outline why this discrepancy between IP location may have occurred i.e. use of VPN, time spent in ***redacted : country name*** while on vacation.

Copies of emails from Coinbase

Email 1 :

From: **Compliance KYC** <compliance-kyc@coinbase.com>
Date: Wed, Feb 28, 2024 at 12:50 PM
Subject: Action required: Provide verification information
To: ***redacted***

Provide verification information

Hi Francois,

We noticed some of your Know your Customer (KYC) information is missing or outdated. We need this information to verify your account and ensure a safe trading experience.

Here's what you need to do:

1. Reply directly to this email with answers to the questions below.
2. Upload the requested documentation to our SendSafely portal.

Account access may be restricted if you don't take action within 15 days of receiving this email.

Request 1

Question	Response
Do you expect to send and / or receive cryptocurrency or fiat currency (e.g. USD, EUR, JPY, etc.) into your Coinbase account from family members or friends in [***redacted : country name***]?	
Do you expect anyone other than yourself to access your Coinbase account?	
Please explain why you are using a phone number associated with [***redacted : country name***]. Do you reside, whether full time or partially, in [***redacted : country name***]?	
Our records indicate you spent time in [***redacted : country name***] based on your IP location. Is this accurate? If yes, please provide further details by stating the primary reasons why you spend time in or have used an IP address associated with [***redacted : country name***]. If you haven't spent time in [***redacted : country name***], please attempt to outline why this discrepancy between IP location may have occurred i.e. use of VPN, time spent in [***redacted : country name***] while on vacation.	

Email 2 :

From: **Compliance KYC** <compliance-kyc@coinbase.com>
Date: Wed, Mar 6, 2024, 12:51 PM
Subject: Action required: Provide verification information
To: ***redacted***

Provide verification information

Hi Francois,

We noticed some of your Know your Customer (KYC) information is missing or outdated. We need this information to verify your account and ensure a safe trading experience.

Here's what you need to do:

1. Reply directly to this email with answers to the questions below.
2. Upload the requested documents to our SendSafely portal.

Account access may be restricted if you don't take action within 15 days of receiving this email.

Information Request	Response	Document Request
<p>Provide details in relation to your current or previous occupation, any businesses you own, and any business you are involved in.</p> <p>If employed:</p> <ul style="list-style-type: none"> ● Name of employer ● Annual salary ● Position within employer <p>In case of business:</p> <ul style="list-style-type: none"> ● Business industry ● Your role in the business (e.g. CEO, Director) 		<ul style="list-style-type: none"> ● Payslip issued within the last 3 months ● Letter from your Human Resources department confirming your employment and salary ● Record of bonus or other variable compensation paid within the last 3 months, such as a cash bonus or an equity-based payment. ● Record of any draw or distribution, outside of regular salary, from any business ownership ● Pension distribution records or account statements ● Tax records or documentation (e.g. W2)
<p>Where different from your previous response, provide independent documentary evidence of the source of funds deposited into your Coinbase account and how it was accumulated. The evidence provided must be verifiable and from an established source (bank, crypto exchange, tax return, etc.)</p>		<ul style="list-style-type: none"> ● Loan agreement or statement ● Statement from other exchanges ● Screenshot of transactions from an unhosted wallet
<p>Please provide the primary source(s) through which your overall wealth/net worth was generated.</p> <p>If wealth was generated through multiple sources, specify each source.</p>		<ul style="list-style-type: none"> ● Payslip ● Brokerage / investment statement ● Home sale document ● Probate or conveyancing document ● Copy of Will, Grant of Probate, Gift Letter, etc. <p>If your source of wealth originated from crypto or other investments, please provide additional supporting documentation. Eg. statement from a crypto exchange or broker-dealer confirming your investment portfolio.</p> <p>Examples of sources of wealth include Employment income or business savings, gambling, gifting, investment income, inheritance, life insurance sale of assets or returns from crypto investments.</p>

Source of Funds	Acceptable Documents
Fiat currency e.g EUR, USD, JPY inflows into Coinbase account from bank account/Paypal	<p>Bank statement from your funding account(s), issued within the last four months in your name, showing your residential address</p> <p>Provide any document from those listed below if relevant to the source of the deposit of funds into your Coinbase account</p> <ul style="list-style-type: none"> • Brokerage statements • Crypto statements from other exchanges • Payslips • Tax returns • House sale documents • Will/grant of probate
Crypto inflows from external exchanges	<ul style="list-style-type: none"> • Screenshot of your external account profile, showing wallet address/email/name • Screenshot of account statement showing transaction to other wallets/exchanges/Coinbase
Crypto inflows from external wallet/unhosted wallet	<ul style="list-style-type: none"> • Screenshots / Statements / Tax documents showing crypto earnings/holdings stored in external wallet/unhosted wallet • CSV file outlining inflows/outflows from external wallet
Crypto inflows from mining	<p>Electricity bill with details like date of invoice and amount due (generally the machinery consumes huge electricity)</p> <ul style="list-style-type: none"> • License to mine crypto/ Registration document • Machinery screenshot purchase invoice if possible • Other exchange / storage statement that shows his/her crypto earnings • Value of that particular crypto at that time and current USD value

Source of Wealth	Acceptable Documents
Employment/Business income	<ul style="list-style-type: none"> • Payslip issued within the last 3 months • Letter from your Human Resources department confirming your employment and salary • A record of a bonus or other variable compensation paid within the last 3 months such as a cash bonus or an equity based payment. • A record of any draw or distribution, outside of regular salary, from any business ownership • Pension distribution records or account statements • Tax records or documentation (e.g. W2)
Crypto assets	<ul style="list-style-type: none"> • Statement from crypto exchange showing investment growth
Inheritance / Gifts	<ul style="list-style-type: none"> • Will / grant of probate • Trust agreement • Gift letter

Sale of assets (e.g. shares, property, business)	<ul style="list-style-type: none">• Brokerage account statement (if sale of securities)• Property sale records• Business sale records
Investment income	<ul style="list-style-type: none">• Brokerage account statement showing investment growth
Proceeds from legal settlement	<ul style="list-style-type: none">• Settlement documents or records (including settlement amount)
Lottery / gambling winnings	<ul style="list-style-type: none">• Gambling winning tax reporting records (e.g. IRS Form W-2G)
Insurance settlement	<ul style="list-style-type: none">• Record of insurance settlement• Insurance statement